

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

THE APPLICATION OF CLARK RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR AN ORDER)	
AUTHORIZING A PASS-THROUGH OF EAST)	CASE NO. 8002
KENTUCKY POWER WHOLESALE POWER RATE)	
INCREASE IN CASE NO. 7981)	

O R D E R

On October 27, 1980, Clark Rural Electric Cooperative Corporation (Applicant) filed its Application to flow-through any increase in rates granted its wholesale power supplier, East Kentucky Power Company, Inc. (East Kentucky) in Case No. 7981. Applicant is one of eighteen member distribution cooperatives of East Kentucky. In Case No. 7981, East Kentucky requested an increase in revenue of approximately \$25,631,320. Of this total increase, Applicant would experience an increase in power costs of approximately \$1,184,883. This increase represents 4.62% of the proposed East Kentucky increase and would result in an overall increase to Applicant's consumers of 16.22%.

The matter was scheduled for hearing on January 23, 1981, at the Commission's offices in Frankfort, Kentucky. The hearing was conducted as scheduled and the Consumer Protection Division of the Attorney General's office and Charles F. Cook of Clark County, Kentucky, were the intervenors of record.

The matter, of the methodology for rate-making purposes, to process the increased power cost was discussed by Mr. L. Cole of Jackson County Rural Electric Cooperative Corporation in his testimony as spokesman for all eighteen (18) cooperatives and Mr. M. Kays in his testimony on behalf of the methodology of Grayson County Rural Electric Cooperative Corporation. The methodology most used by the applicants was the percentile method, whereby the increased

wholesale power cost is divided by the normalized test period revenue, then 100% is added to the quotient and multiplied by all the current rates. Another rate-making procedure, an energy adder charge to metered KWH sales, was also discussed. The energy adder charge procedure is the process whereby the increased wholesale power cost is divided by the metered KWH's and the quotient, being in dollars per KWH, is added to the metered KWH rates only.

The Commission after review of the evidence of record and being advised is of the opinion and so FINDS:

(1) That the actual increase granted East Kentucky in Case No. 7981 is \$25,631,320 which will result in an increase in power costs to Applicant of \$1,184,883.

(2) That Applicant is entitled to recover the increased wholesale power costs granted in Case No. 7981 and its financial condition would be materially impaired if it were not allowed to recover this additional cost.

(3) That the revised rates and charges set out in the attached Appendix "A" are designed to reflect only the increased power costs from East Kentucky, granted in the final order in Case No. 7981.

(4) That the flow-through of the wholesale power costs will not result in any additional net margin to Applicant.

(5) That the most equitable method for rate-making purposes is the energy adder charge, therefore, this is the rate-making procedure used to determine the final rates in this case.

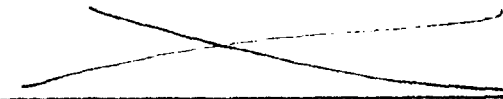
IT IS THEREFORE ORDERED, that Clark Rural Electric Cooperative Corporation is hereby authorized to flow-through the increased power costs resulting from the rate increase granted its wholesale power supplier in Case No. 7981.

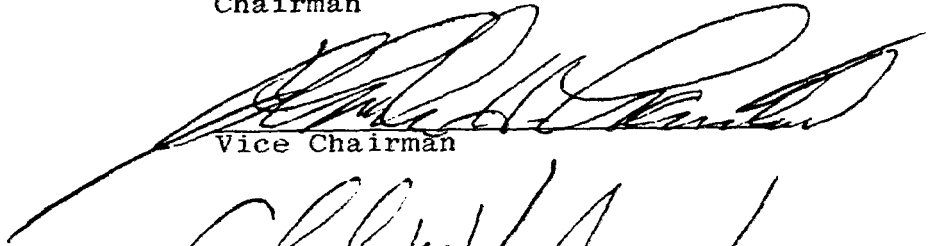
IT IS FURTHER ORDERED, that the rates set out in Appendix "A" shall be placed into effect simultaneously with the effective date of the East Kentucky wholesale power increase.


IT IS FURTHER ORDERED, that Clark Rural Electric Cooperative Corporation shall file within twenty (20) days from the date of this Order its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this the 26th day of February, 1981.

ENERGY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE KENTUCKY ENERGY REGULATORY COMMISSION IN CASE NO. 8002 DATED FEBRUARY 26, 1981.

The following rates and charges are prescribed for the customers in the area served by Clark County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE A FARM AND HOME SERVICE*

Rates:

First	25 KWH (Minimum Bill)	\$4.37
Next	25 KWH per KWH	.08893 Per KWH
Next	50 KWH per KWH	.07773 Per KWH
Next	100 KWH per KWH	.05243 Per KWH
Next	1,300 KWH per KWH	.04813 Per KWH
Over	1,500 KWH per KWH	.04363 Per KWH

Minimum Charge:

The minimum monthly charge shall be \$4.37.

SCHEDULE B-1 COMMERCIAL AND INDUSTRIAL LIGHTING AND POWER SERVICE

Applicability:

Applicable to all commercial, industrial, and three-phase farm consumers for all uses subject to the established rules and regulations of the Seller.

Character of Service:

Single-phase and three-phase, 60 cycles, at available secondary voltage.

Rates:

Demand Charge

First 10 KW of Billing Demand	No Charge
Over 10 KW of Billing Demand	\$2.98 Per KW

<u>Energy Charge</u>	<u>Less Than</u>	<u>More Than</u>
	<u>10 KW Demand</u>	<u>10 KW Demand</u>
First 80 KWH (Min. Bill)	\$9.29	\$9.43
Next 20 KWH per KWH	.11393	.11553
Next 900 KWH per KWH	.06193	.06363
Next 1,000 KWH per KWH	.05503	.05673
Over 2,000 KWH per KWH	.04833	.05003

Minimum Charge:

The minimum monthly charge shall be \$9.29 single-phase service and \$25.73 for three-phase service.

SCHEDULE E
SERVICE TO SCHOOLS, CHURCHES, AND COMMUNITY HALLS*

Rates:

First	25 KWH (Minimum Bill)	\$4.40
Next	25 KWH per KWH	.11293
Next	50 KWH per KWH	.08993
Next	900 KWH per KWH	.06353
Next	1,000 KWH per KWH	.05583
Over	2,000 KWH per KWH	.04363

Minimum Charge:

The minimum monthly charge shall be \$4.40.

SCHEDULE SL3
STREET LIGHTING SERVICE*

Base Rate Per Lamp Per Year:

<u>Lamp Size</u>	<u>Bare Lamp With Reflector</u>	<u>Luminaire With Bracket Attachment to Wooden Pole</u>
100 Watt-Incandescent	\$35.18	
150 Watt-Incandescent	41.57	
200 Watt-Incandescent	48.62	\$56.96
300 Watt-Incandescent		62.61
175 Watt-Mercury Vapor		51.08
400 Watt-Mercury Vapor		103.93

SCHEDULE LP
LARGE POWER SERVICE*

Rates:

Demand Charge

First 50 KW or less of Billing Demand	\$148.70
Over 50 KW of Billing Demand	2.98 Per KW

Energy Charge

First	50 KWH of Billing Demand	.05603 Per KWH
Next	100 KWH of Billing Demand	.04353 Per KWH
All Remaining KWH of Billing Demand		.03713 Per KWH

SCHEDULE LPR
LARGE POWER*

Applicability:

Applicable to all commercial and industrial consumers, for all uses, whose kilowatt demand exceeds 500 KW. An agreement for purchase of power shall be executed by the consumer for service.

Rates:

Demand Charge

First 500 KW or less of Billing Demand for	\$1,481.46
Over 500 KW of Billing Demand	2.98 Per KW

Energy Charge

First	3,500 KWH	\$.05223 Per KWH
Next	6,500 KWH	.04213 Per KWH
Next	140,000 KWH	.03703 Per KWH
Next	200,000 KWH	.03393 Per KWH
Next	400,000 KWH	.03293 Per KWH
Next	550,000 KWH	.03163 Per KWH
Over	1,300,000 KWH	.02983 Per KWH

OUTDOOR LIGHTING - SECURITY LIGHTS*

Rate Per Light Per Month:

Mercury Vapor Lamp	175 Watt	\$4.55 Per Month
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*Fuel Adjustment Charge

The above rate may be increased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses.